

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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G-02696A
Energy West Incorporated dba Broken Bow Gas Co.
200 W. Longhorn
Payson, AZ 85541

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 02	06
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PROCESSED BY:

4-17-07

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Energy West Inc. dba Energy West Arizona</u>		
Mailing Address <u>#1 First Ave. South</u> <u>PO Box 2229</u>		
<u>Great Falls</u> (City)	<u>MT</u> (State)	<u>59403-2229</u> (Zip)
<u>(406) 791-7500</u>	<u>(406) 791-7558</u>	<u>N/A</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>cawolverton@ewst.com</u>		
Local Office Mailing Address <u>200 W. Longhorn Road</u>		
<u>Payson</u> (City)	<u>AZ</u> (State)	<u>85541</u> (Zip)
<u>(928) 474-2294</u>	<u>(928) 474-0909</u>	<u>N/A</u>
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>drmann@ewst.com</u>		

MANAGEMENT INFORMATION

Management Contact: <u>Douglas Mann</u>		<u>Vice President - Propane</u>	
(Name)		(Title)	
<u>200 W. Longhorn Road</u> (Street)	<u>Payson</u> (City)	<u>AZ</u> (State)	<u>85541</u> (Zip)
<u>(928) 474-2294</u>	<u>(928) 474-0909</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>drmann@ewst.com</u>			
On Site Manager: <u>Douglas Mann</u>		<u>Vice President</u>	
(Name)		(Title)	
<u>200 W. Longhorn Road</u> (Street)	<u>Payson</u> (City)	<u>AZ</u> (State)	<u>85541</u> (Zip)
<u>(928) 474-2294</u>	<u>(928) 474-0909</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>drmann@ewst.com</u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Douglas Mann

(Name)

200 W. Longhorn Road

(Street)

Payson

(City)

AZ

(State)

85541

(Zip)

(928) 474-2294

Telephone No. (Include Area Code)

(928) 474-0909

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Attorney: Michael M Grant, Gallagher & Kennedy, P.A.

(Name)

2575 E Camelback Road

(Street)

Phoenix

(City)

AZ

(State)

85061

(Zip)

(602) 530-8291

Telephone No. (Include Area Code)

(602) 530-8500

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☒ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

SERVICES AUTHORIZED TO PROVIDE

Check the following box/es for the services that you are authorized to provide:

☐ **Electric**

- ☐ Investor Owned Electric
- ☐ Rural Electric Cooperative
- ☐ Utility Distribution Company
- ☐ Electric Service Provider
 - ☐ Transmission Service Provider
 - ☐ Meter Service Provider
 - ☐ Meter Reading Service Provider
 - ☐ Billing and Collection
 - ☐ Ancillary Services
 - ☐ Generation Provider
 - ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☒ **Gas**

- ☐ Natural Gas
- ☒ Propane

☐ **Other** (Specify) _____

STATISTICAL INFORMATION

TELECOMMUNICATION UTILITIES ONLY

Total residence local exchange access lines	_____
Total business local exchange access lines	_____
Total revenue from Arizona operations	\$ _____
Total income from Arizona operations	\$ _____
Value of assets used to serve Arizona customers	\$ _____
Accumulated depreciation associated with those assets	\$ _____

STATISTICAL INFORMATION (CONT'D)

ELECTRIC UTILITY PROVIDERS ONLY

Total number of customers	_____
Residential	_____
Commercial	_____
Industrial	_____
Public street and highway lighting	_____
Irrigation	_____
Resale	_____
 Total kilowatt-hours sold	_____ kWh
Residential	_____
Commercial	_____
Industrial	_____
Public street and highway lighting	_____
Irrigation	_____
Resale	_____
 Maximum Peak Load	_____ MW

GAS UTILITIES ONLY

Total number of customers	7820
Residential	7239
Commercial	520
Industrial	61
Irrigation	_____
Resale	_____
 Total therms sold	3702306 therms
Residential	2480581
Commercial	853751
Industrial	361974
Irrigation	_____
Resale	_____

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>Gila</u>		
NAME (OWNER OR OFFICIAL) TITLE <u>Douglas R Mann - State Engineer</u>		
COMPANY NAME <u>Energy West Arizona</u>		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 8,712,568

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 675,886
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

Douglas R Mann
SIGNATURE OF OWNER OR OFFICIAL
928-474-2284
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

13th

DAY OF

(SEAL)

COUNTY NAME <u>Gila</u>	
MONTH <u>April</u>	YEAR <u>2007</u>

Alta R. Dudley
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) GILA	
NAME (OWNER OR OFFICIAL) Douglas R. Mann	TITLE President Agent
COMPANY NAME Energy West Arizona	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 6324247

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 490609
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X Douglas R. Mann
SIGNATURE OF OWNER OR OFFICIAL
928/474 2294
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

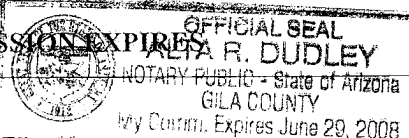
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

13

DAY OF

(SEAL)

MY COMMISSION EXPIRES
 OFFICIAL SEAL
ALTA R. DUDLEY
NOTARY PUBLIC - State of Arizona
GILA COUNTY
My Comm. Expires June 29, 2008

NOTARY PUBLIC NAME Alta R. Dudley	
COUNTY NAME Gila	
MONTH April	2007

X Alta R. Dudley
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2006) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

ENERGY WEST ARIZONA
Consolidated Income Statement
Twelve Months Ended December 31, 2005

	12 Months Ended 12/31/2005
Energy Revenue	\$ 7,959,029
Energy Purchases	5,497,829
Total Gross Margin	2,461,200
Other Operating Charges:	
Vaporizer Fuel Costs	79,257
General and administrative	1,287,848
Maintenance	92,627
Depreciation	368,408
Taxes other than income taxes	118,453
Total Other Operating Charges	1,946,593
Other income (loss)	77,652
Earnings before Int & Taxes	592,259
Interest Charges:	
Interest on long-term debt	249,153
Other interest	93,798
Total Interest charges	342,951
Income (loss) before inc taxes	249,308
Income taxes:	
Income taxes-operations	96,326
Income taxes-other income	
Total Income taxes	96,326
Net Income	\$ 152,982
EPS	\$ 0.0517

EWA - Broken Bow
Balance Sheet
December 31, 2006

	<u>12/31/06</u>	<u>12/31/05</u>	<u>Increase/ (Decrease)</u>
ASSETS			
Current assets:			
Cash	\$160,126.22	\$203,204.58	(\$43,078.36)
Accounts Receivable	695,738.23	446,068.67	249,669.56
Accounts Receivable - Intercompany	79,081.45	79,081.45	0.00
Accrued Gas Receivables	904,263.56	910,997.33	(6,733.77)
Gas Inventory	29,731.00	26,809.00	2,922.00
Materials and Supplies	98,694.70	102,053.61	(3,358.91)
Prepayments	17,577.87	12,813.59	4,764.28
Deferred Tax Assets - Current	21,591.35	21,591.35	0.00
Deferred Purchased Gas Costs	1,015,981.55	986,121.17	29,860.38
	-----	-----	-----
Total Current Assets	3,022,785.93	2,788,740.75	234,045.18
	-----	-----	-----
Property, Plant and Equipment:			
Utility Plant	11,813,581.41	11,350,703.02	462,878.39
	-----	-----	-----
Less Accumulated Depreciation	(4,399,757.16)	(4,005,715.30)	(394,041.86)
	-----	-----	-----
Net Property, Plant and Equipment	7,413,824.25	7,344,987.72	68,836.53
	-----	-----	-----
Deferred Charges and Other Assets:			
Rate Case Costs	21,977.72	0.00	21,977.72
Deferred Charges	0.00	0.33	(0.33)
Regulatory Asset	6,108.00	6,108.00	0.00
Deferred Tax Assets - Long Term	58,208.29	58,208.29	0.00
	-----	-----	-----
Total Deferred Charges and Other Assets	86,294.01	64,316.62	21,977.39
	-----	-----	-----
TOTAL ASSETS	10,522,904.19	10,198,045.09	324,859.10
	=====	=====	=====

EWA - Broken Bow
Balance Sheet
December 31, 2006

	12/31/06	12/31/05	Increase/ (Decrease)
LIABILITIES AND INVESTMENT			
Current Liabilities:			
Long Term Debt (Due Within One Year)	\$1,509.04	\$3,299.66	(\$1,790.62)
Accounts Payable - Other	2,049.39	11,185.99	(9,136.60)
Accounts Payable - Intercompany	1,095,918.74	764,803.96	331,114.78
Accrued Income Taxes	(442,908.07)	(494,436.45)	51,528.38
Deferred Income Tax Payable - Current	401,717.36	390,439.64	11,277.72
Payable to Employee Benefit Plans	16,768.03	13,623.34	3,144.69
Accrued Vacation Payable	25,534.00	30,995.00	(5,461.00)
Other Current Liabilities	238,533.77	189,016.84	49,516.93
	-----	-----	-----
Total Current Liabilities	1,339,122.26	908,927.98	430,194.28
	-----	-----	-----
Other:			
Customer Advances for Construction	0.00	515,397.00	(515,397.00)
Contributions in Aid of Construction	640,588.04	159,725.34	480,862.70
Accum. Post Retirement Benefit Obligations	22,999.92	62,264.92	(39,265.00)
Deferred Federal Income Taxes	1,003,289.48	969,769.61	33,519.87
	-----	-----	-----
Total Other	1,666,877.44	1,707,156.87	(40,279.43)
	-----	-----	-----
ENERGY WEST Balancing	5,939,538.61	6,156,066.33	(216,527.72)
	-----	-----	-----
Long Term Debt (Due After One Year):			
Leases Payable	0.00	1,509.04	(1,509.04)
	-----	-----	-----
Total Long-Term Obligations	0.00	1,509.04	(1,509.04)
	-----	-----	-----
Allocated Long-Term Obligations	498,220.00	498,220.00	0.00
	-----	-----	-----
Equity:			
Retained Earnings	1,079,145.88	926,164.87	152,981.01
	-----	-----	-----
Total Equity	1,079,145.88	926,164.87	152,981.01
	-----	-----	-----
TOTAL LIABILITIES AND INVESTMENT	10,522,904.19	10,198,045.09	324,859.10
	=====	=====	=====